COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| THE APPLICATION OF BEAVER-ELKHORN WATER) | |
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| DISTRICT FOR (1) CERTIFICATE OF PUBLIC) | |
| CONVENIENCE AND NECESSITY - CONSTRUCTION -) | |
| TO UPGRADE WATER TREATMENT PLANT/WATER) | |
| LINE EXTENSIONS PURSUANT TO KRS 278.020(1);) | |
| (2) AUTHORIZATION OF BORROWING FROM THE) | |
| COMMONWEALTH OF KENTUCKY, KENTUCKY | |
| INFRASTRUCTURE AUTHORITY WATER RESOURCES) | |
| LOAN FUND PURSUANT TO KRS 278.300; (3) | |
| AUTHORITY TO INCREASE RATES PURSUANT TO) | |
| 807 KAR 5:001, SECTION 10 | |

ORDER

On March 30, 1992, Beaver-Elkhorn Water District ("Beaver-Elkhorn") filed an application for a Certificate of Public Convenience and Necessity, approval of its plan of financing, and for adjustments of its water service rates. An Interim Order approving Phase I of the proposed construction was granted on September 29, 1992. The Commission on its own motion scheduled an informal conference for January 12, 1993 to discuss the status of the Phase II of the proposed construction. The informal conference concluded with the understanding that Beaver-Elkhorn would notify the Commission on the status of this case in writing by February 1, 1993. Beaver-Elkhorn has failed to report the current status of the proposed construction project.

After reviewing the record and being otherwise sufficiently advised, the Commission finds that Beaver-Elkhorn materially changed its plan for financing this project and notified the

Commission of the revised financing plan on October 12, 1992, some six months after the application was originally filed, and two weeks after the original financing plan was given interim approval. However to date, Beaver-Elkhorn has been unable to finalize the refinancing with Kentucky Infrastructure Authority ("KIA") and until the financing arrangements are approved by KIA and presented to the Commission in final form the Commission cannot approve the modifications. The Commission therefore finds it appropriate to dismiss this case without prejudice.

IT IS THEREFORE ORDERED that this case be and it hereby is dismissed without prejudice.

Done at Frankfort, Kentucky, this 19th day of April, 1993.

PUBLIC SERVICE COMMISSION

Chairman

Vice Chairman

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ATTEST:

Executive Director